ASITE Limited
Annual Report and Accounts
For the year ended 30 June 2011

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Company Registration No. 02004015

CONTENTS

for the year ended 30 June 2011

OFFICERS AND PROFESSIONAL ADVISERS

for the year ended 30 June 2011

SECRETARY
Mr Gordon Ashworth

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Zetland House
5/25 Scrutton Street
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EC2A 4HJ

DIRECTORS
Mr Walter Goldsmith
Mr Gordon Ashworth
Mr Robert Tchenguiz
Mr Nathan Doughty
Mr Tony Ryan

BANKERS
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70 Pall Mall
London
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REGISTRARS
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AUDITORS
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SOLICITORS
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London
EC2V 6BJ

DIRECTORS' REPORT

for the year ended 30 June 2011

The directors present their annual report and the audited financial statements for the year ended 30 June 2011.

Principal activities

Asite Limited is a limited company, incorporated and domiciled in England. Asite Limited is the parent company of a trading subsidiary, Asite Solutions Limited and its 99.7% owned subsidiary in India, Asite Solutions Private Limited. The principal activity of the Group is to provide collaborative Software as a Service (cSaaS) to the Architectural, Engineering and Construction (AEC) industry to deliver successful supply chain collaboration.

Business review and future prospects

I am pleased to report that the Group continued its growth on the performance of 2010. For the 12 months ended 30 June 2011 revenue increased by 44% to £2.914m (2010: £2.021m). Overall, operating profit for the period rose 317% to £0.422m (2010: £0.133m).

In light of the market conditions globally, we have delivered significant growth and overachieved on our target. We continue to open up revenue streams in the US and Middle East markets. Our strategy to focus on enterprise deals continues to deliver success.

As stated in last year's report our platform continues to add new functionality enabling us to win business outside of our standard market (AEC). We have seen significant interest in our collaborative Building Information Model (cBIM) capabilities.

Principal risks and uncertainties

We undertake a continuous risk review strategy of our operations and continue to implement appropriate mitigation strategies for those risks which we have assessed as critical to the ongoing operations of the Group. Significant risks identified cover recruitment and retention of key staff, system performance, technology obsolescence, client base plurality, product diversity and regulatory environment. The Group continues to monitor these risks and to update and amend mitigating strategies as appropriate.

Results and dividends

The profit for the period after taxation is shown in the consolidated statement of comprehensive income on page 7. The directors do not recommend the payment of a final dividend (2010: £nil).

Directors

The directors, all of whom either held office during the period or had been appointed as at the date of this report, were as follows:

Name	Position
Mr Walter Goldsmith	Chairman
Mr Gordon Ashworth	Non-Executive Director
Mr Robert Tchenguiz	Non-Executive Director
Mr Nathan Doughty	Chief Operating Officer
Mr Tony Ryan	Group Chief Executive

Statement of directors' responsibilities
The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and the profit or loss of the Group for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable IFRSs as adopted by the European Union have been followed by the Group, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the Group will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group's transactions and disclose with reasonable accuracy at any time the financial position of the Company and Group and which enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Directors' and officers' liability insurance
Directors' and officers' liability insurance has been purchased by the Group during the year. The Company's Articles of Association provide, subject to the provision of UK legislation, an indemnity for directors and officers of the Company in respect of liabilities they may incur in the discharge of their duties or in the exercise of their powers, including any liabilities relating to the defence of any proceedings brought against them which relate to anything done or omitted or alleged to have been done or omitted, by them as officers or employees of the Company. Appropriate directors' and officers' liability insurance cover is in place in respect of all of the Company's directors.

Financial instruments
The Group is exposed to foreign currency risk through its investment in Asite Solutions Private Limited (Asite India). Asite India provides development and maintenance services to the Asite platform. Save for loan finance provided by Mr Robert Tchenguiz, Asite has no borrowings other than de minimis finance leases, accordingly interest rate risk, in this regard is minimal. The Group's policies for mitigating these risks are outlined in note 18 to the financial statements.

Policy on payment of suppliers
The Group does not have a policy to follow any code or standard on payment practice. However, the Group will continue to settle the terms of payment with its suppliers and when agreeing the terms of each transaction, will ensure that those suppliers are aware of the terms of payment and will abide by those terms of payment, unless subsequently renegotiated. Group trade creditors outstanding at 30 June 2011 represented 30 days (2010: 18 days) trade purchases. Company trade creditors outstanding at 30 June 2011 represented 43 days (2010: 133 days) trade purchases. This is calculated as the weighted average trade creditors as at the year end.

Research and development
The Company undertakes research and development in the field of collaborative Supply Chain Management (cSCM) Software.

Auditors' right to information

Each of the directors at the date of approval of this report confirms that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- the director has taken all steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of the information.

Auditors

Milsted Langdon LLP has expressed its willingness to continue in office as auditor and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors
and signed on behalf of the Board

Mr Tony Ryan
Chief Executive Officer
21 February 2012

We have audited the financial statements of Asite Limited for the year ended 30 June 2011 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated and Parent Company Statements of Changes in Equity, the Consolidated and Parent Company Statements of Financial Position, the Consolidated and Parent Company Cash Flow Statements and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union and, as regards the Parent Company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the directors' responsibilities statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Group's and the Parent Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and the Parent Company's affairs as at 30 June 2011 and of the Group's profit for the year then ended;
- the Group financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union;
- the Parent Company financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion;

- adequate accounting records have not been kept by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Parent Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Mr Nigel Fry (Senior Statutory Auditor)
For and on behalf of Milsted Langdon LLP
Chartered Accountants and Statutory Auditors
Taunton

21 February 2012

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the year ended 30 June 2011

	Note	Year to 30 June 2011 £'000	Year to 30 June 2010 £'000
REVENUE	**3**	**2,914**	2,021
Cost of sales		**(492)**	(456)
Gross profit		**2,422**	1,565
Sales & distribution costs		**(192)**	(178)
Administrative expenses		**(1,808)**	(1,254)
OPERATING PROFIT		**422**	133
Fair Value adjustments arising on loan from shareholder	**7**	**–**	150
Financial costs	**8**	**(150)**	(150)
PROFIT BEFORE TAXATION	**6**	**272**	133
Tax	**9**	**179**	271
PROFIT FOR THE PERIOD		**451**	404
Attributable to:			
Equity shareholders		**451**	404
Non-controlling interest		**–**	–
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		**451**	404

All transactions are derived from continuing operations.

The notes on pages 12 to 30 are an integral part of these consolidated financial statements.

EARNINGS PER SHARE

Basic	**1.39p**	0.71p
Diluted	**1.39p**	0.71p

STATEMENTS OF CHANGES IN EQUITY

for the year ended 30 June 2011

	Called up share capital £'000	Share premium account £'000	Profit and loss account £'000	Total £'000
Group				
At 1 July 2009	18,750	2,442	(23,521)	(2,329)
Total comprehensive income	–	–	404	404
Exchange differences arising on translation of overseas operations	–	–	1	1
At 30 June 2010	**18,750**	**2,442**	**(23,116)**	**(1,924)**

	Called up share capital £'000	Share premium account £'000	Profit and loss account £'000	Total £'000
Group				
At 1 July 2010	18,750	2,442	(23,116)	(1,924)
Issue of share capital	25	–	–	25
Total comprehensive income	–	–	451	451
Share based payments	–	–	100	100
At 30 June 2011	**18,775**	**2,442**	**(22,565)**	**(1,348)**

	Called up share capital £'000	Share premium account £'000	Profit and loss account £'000	Total £'000
Company				
At 1 July 2009	18,750	2,442	(23,663)	(2,471)
Total comprehensive loss	–	–	(32)	(32)
Reinstatement of intercompany loan	–	–	2,368	2,368
At 30 June 2010	**18,750**	**2,442**	**(21,327)**	**(135)**

	Called up share capital £'000	Share premium account £'000	Profit and loss account £'000	Total £'000
Company				
At 1 July 2010	18,750	2,442	(21,327)	(135)
Issue of share capital	25	–	–	25
Total comprehensive loss	–	–	(196)	(196)
Share based payments	–	–	100	100
At 30 June 2011	**18,775**	**2,442**	**(21,423)**	**(206)**

The notes on pages 12 to 30 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 30 June 2011

Company Number 02004015	Note	30 June 2011 £'000	30 June 2010 £'000
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	**12**	**51**	26
Intangible assets	**13**	**–**	–
Deferred tax asset	**9**	**450**	271
		501	297
CURRENT ASSETS			
Trade and other receivables	**15**	**893**	765
Cash at bank		**750**	225
		1,643	990
TOTAL ASSETS		**2,144**	1,287
EQUITY AND LIABILITIES			
CAPITAL AND RESERVES			
Called up share capital	**19**	**18,775**	18,750
Share premium account		**2,442**	2,442
Profit and loss account		**(22,565)**	(23,116)
EQUITY SHAREHOLDERS' DEFICIT		**(1,348)**	(1,924)
Non-controlling interest		**–**	–
TOTAL EQUITY		**(1,348)**	(1,924)
NON-CURRENT LIABILITIES			
Borrowings	**17**	**–**	2,502
CURRENT LIABILITIES			
Trade and other payables	**16**	**840**	709
Borrowings	**17**	**2,652**	–
TOTAL LIABILITIES		**3,492**	3,211
TOTAL EQUITY AND LIABILITIES		**2,144**	1,287

The notes on pages 12 to 30 are an integral part of these consolidated financial statements.

The financial statements on pages 7 to 30 were approved by the Board of Directors on 21 February 2012 and signed on its behalf by:

Mr Tony Ryan
Chief Executive Officer

COMPANY STATEMENT OF FINANCIAL POSITION

as at 30 June 2011

Company Number 02004015	Note	30 June 2011 £'000	30 June 2010 £'000
ASSETS			
NON-CURRENT ASSETS			
Investments in subsidiaries	**14**	**65**	65
Loan to subsidiary		**2,373**	2,314
		2,438	2,379
CURRENT ASSETS			
Trade and other receivables	**15**	**29**	8
Cash and cash equivalents		**1**	2
		30	10
TOTAL ASSETS		**2,468**	2,389
EQUITY AND LIABILITIES			
CAPITAL AND RESERVES			
Called up share capital	**19**	**18,775**	18,750
Share premium account		**2,442**	2,442
Profit and loss account		**(21,423)**	(21,327)
EQUITY SHAREHOLDERS' DEFICIT		**(206)**	(135)
NON-CURRENT LIABILITIES			
Borrowings	**17**	**–**	2,502
CURRENT LIABILITIES			
Trade and other payables	**16**	**22**	22
Borrowings	**17**	**2,652**	–
TOTAL LIABILITIES		**2,674**	2,524
TOTAL EQUITY AND LIABILITIES		**2,468**	2,389

The notes on pages 12 to 30 are an integral part of these consolidated financial statements.

The financial statements on pages 7 to 30 were approved by the Board of Directors on 21 February 2012 and signed on its behalf by:

Mr Tony Ryan
Chief Executive Officer

CASH FLOW STATEMENTS

for the year ended 30 June 2011

CONSOLIDATED CASH FLOW STATEMENT	Note	Year to June 2011 £'000	Year to June 2010 £'000
Net cash generated by operating activities	**21**	**571**	116
Cash flows from investing activities			
Purchase of property, plant and equipment		**(46)**	(9)
Purchase of intangible assets		**–**	(1)
Net cash used in investing activities		**(46)**	(10)
Net increase in cash and cash equivalents		**525**	106
Cash and cash equivalents at beginning of period		**225**	119
Cash and cash equivalents at end of period		**750**	225

COMPANY CASH FLOW STATEMENT	Note	Year to June 2011 £'000	Year to June 2010 £'000
Net cash used in operating activities	**21**	**(1)**	(38)
Net decrease in cash and cash equivalents		**(1)**	(38)
Cash and cash equivalents at beginning of period		**2**	40
Cash and cash equivalents at end of period		**1**	2

The notes on pages 12 to 30 are an integral part of these consolidated financial statements.

1. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

The consolidated financial information presented in this statement has been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union (EU), International Financial Reporting Interpretations Committee (IFRIC) interpretations as adopted by the EU and the Companies Act 2006 applicable to companies reporting under IFRS. The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss.

The preparation of financial statements in conformity with IFRS, requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies.

In the application of the above accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other relevant factors. Actual results may differ from these estimates.

The directors do not consider there are any critical judgements or key sources of estimation uncertainty made in the process of applying the entity's accounting policies and the amounts recognised in the financial statements.

The presentational currency used in this report is Pound Sterling (£).

Standards and Interpretations effective in the current period

The following standards, interpretations and amendments to existing standards and interpretations were adopted by the Group in the year:

- IFRS 2 (Amendment) 'Share Based Payment' effective 1 January 2010
- IFRS 5 (Amendment) 'Non current assets held for sale and discontinued operations' effective 1 January 2010
- IFRS 8 (Amendment) 'Operating segments' effective 1 January 2010
- IAS 1 (Amendment) 'Presentation of financial statements' effective 1 January 2010
- IAS 7 (Amendment) 'Statement of cash flows' effective 1 January 2010
- IAS 17 (Amendment) 'Leases' effective 1 January 2010
- IAS 18 (Amendment) 'Revenue' effective 1 January 2010
- IAS 36 (Amendment) 'Impairment of assets' effective 1 January 2010
- IAS 38 (Amendment) 'Intangible assets' effective 1 January 2010
- IAS 39 (Amendment) 'Financial instruments: Recognition and measurement' effective 1 January 2010
- IFRIC 9 (Amendment) 'Reassessment of embedded derivatives' effective 1 January 2010
- IFRIC 16 (Amendment) 'Hedges of a net investment in foreign operation' effective 1 January 2010
- IFRS 1 (Amendment) 'First-time adoption of International Financial Reporting Standards' effective 1 January 2010
- IFRS 1 (Amendment) 'First-time adoption of International Financial Reporting Standards' effective 1 July 2010
- IFRIC 15 'Agreements for construction of real estate' effective 1 January 2010
- IFRIC 18 'Transfer of assets from customers' effective 31 October 2009
- IAS 32 (Amendment) 'Financial Instruments: Presentation' effective 1 February 2010
- IFRIC 19 'Extinguishing Financial Liabilities with Equity Instruments' effective 1 July 2010

1. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (Continued)

The adoption of these standards, interpretations and amendments to existing standards and interpretations has not led to any changes in the Group's accounting policies.

Standards and Interpretations in issue not early adopted

At the date of authorisation of these financial statements, the following standards, interpretations and amendments to existing standards were in issue but not yet effective and have not been early adopted by the Group:

- IFRS 9 'Financial Instruments' effective 1 January 2013
- IAS 24 (Revised) 'Related Party Transactions' effective 1 January 2011
- IFRS 7 'Financial instruments: Disclosures' effective 1 July 2011
- IFRS 1 'First time adoption of International Financial Reporting Standards' effective 1 July 2011
- IAS 12 'Income taxes' effective 1 January 2012
- IAS 19 'Employee benefits' effective 1 January 2013
- IAS 1 'Financial statement presentation' effective 1 July 2012
- IFRS 10 'Consolidated financial statements' effective 1 January 2013
- IFRS 11 'Joint arrangements' effective 1 January 2013
- IFRS 12 'Disclosures of interests in other entities' effective 1 January 2013
- IFRS 13 'Fair value measurement' effective 1 January 2013
- IAS 27 (Revised) 'Separate financial statements' effective 1 January 2013
- IAS 28 (Revised) 'Associates and joint ventures' effective 1 January 2013
- IFRIC 14 'Prepayments of a minimum funding requirement' effective 1 January 2011

The directors anticipate that the adoption of these standards, interpretations and amendments to existing standards and interpretations, in future periods, will have no material impact on the financial statements of the Group.

2. ACCOUNTING POLICIES

(a) Consolidation

The consolidated financial statements include financial information in respect of the Company and its subsidiary undertakings. Subsidiary undertakings are those entities over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. Subsidiary undertakings are fully consolidated from the date on which control is transferred to the Group. From the date on which control ceases they are no longer consolidated. Intra group transactions and balances are eliminated on consolidation.

(b) Foreign currency translation

Items included in the separate financial statements of the Group entities are measured in the functional currency of each entity. Transactions denominated in foreign currencies are translated into the functional currency of the Group at the rates prevailing at the dates of the individual transactions. Foreign currency monetary assets and liabilities are translated at the rates prevailing at the balance sheet date. Exchange gains and losses arising are charged or credited to net operating costs or finance costs/income in the income statement, as appropriate. The income statement and balance sheet of foreign entities are translated into pounds sterling on consolidation at the average rates for the period and the rates prevailing at the balance sheet date respectively. The resulting exchange gains or losses are dealt with in shareholders funds.

(c) Property, plant and equipment

Property, plant and equipment are stated at cost, net of depreciation and any provisions for impairment. Depreciation is calculated using the straight line basis and charged to administrative expense. All assets are depreciated at rates calculated to write off the cost, less estimated residual value, over the expected useful lives of three years.

2. ACCOUNTING POLICIES (continued)

(c) Property, plant and equipment (continued)

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each statement of financial position date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains and losses on disposals are determined by comparing proceeds with carrying amounts. These are included in the income statement.

(d) Intangible assets

Research and development expenditure

Expenditure on research and development is recognised as an expense in the year in which it is incurred with the exception of expenditure on the development of products where the outcome of these products is assessed as being reasonably certain as regards to economic viability and technical feasibility. Such expenditure is recognised as an intangible asset and amortised to administrative expense on a straight line basis over the useful economic life once the related product or enhancement is available for use. The useful economic life of the development costs capitalised is five years.

Computer software

Computer software is stated at cost, net of amortisation and any provisions for impairment. Amortisation is calculated using the straight line basis. All assets are amortised to administrative expense at rates calculated to write off the cost, less estimated residual value, over expected useful lives of one to two years.

The intangible assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each statement of financial position date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains and losses on disposals are determined by comparing proceeds with carrying amounts. These are included in the income statement.

(e) Trade receivables

Trade receivables are initially stated at fair value and subsequently at amortised cost less any provisions for impairment. Trade receivables are assessed individually for impairment. Movements in the provision for doubtful trade receivables are recorded in the income statement in administrative expense.

(f) Cash and cash equivalents

Cash and cash equivalents for the purposes of the cash flow statements include cash in hand, deposits held at call with banks and bank overdrafts. Bank overdrafts are shown within short term borrowings in current liabilities on the statement of financial position.

(g) Trade payables

Trade payables are initially recognised at fair value and subsequently at amortised cost.

(h) Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Fair value is determined as the present value of the loan at market interest rates (determined by the directors as an estimate of a rate that would be commercially available to the Company). Any difference between the fair value at initial recognition (net of transaction costs) and the consideration received is initially recognised in the income statement as 'Fair Value adjustments arising on loan from shareholder'. Borrowings are subsequently stated at amortised cost increased by imputed interest charged to financial costs over the period of the borrowings using the effective interest method. The Group's current loan is from a principle shareholder and the initial credit is taken to the income statement as opposed to equity as it is expected that the loan will be repaid in full.

2. ACCOUNTING POLICIES (continued)

(i) Current and deferred income tax

Current income tax is provided at amounts expected to be paid, or recovered, using the tax rates and laws that have been enacted or substantially enacted by the statement of financial position date. Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax is provided using rates of tax that are consistent with the rates in which the entity's management expects, at the statement of financial position date, to recover or settle the carrying amount of assets and liabilities. Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. Deferred tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the directors consider that it is less likely than not that that the difference will reverse in the near future.

(j) Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are measured at the present value of the expenditure expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation.

(k) Revenue recognition

The Group typically enters into multi-element arrangements which include software licence fees, consultancy and training services. Revenue is allocated to the elements of the arrangement based upon the fair value of each element.

The Group sells a licence for access to its products which are hosted from the Groups dedicated servers. The licence fees grant access to web space for the duration of the customer's project and include maintenance and support. The revenue for the licence is recognised on an accruals basis to match the period of use by the customer until the end of the contract. The unrecognised element is included within 'deferred income' and the amount recognised prior to billing is included within 'amounts recoverable on contracts'.

Training revenue relates to customer training to use the product. Consultancy revenue relates to the initial tailoring of the product to match the needs of the project and ongoing consultancy work provided to the customer post implementation. Revenue is recognised on the consulting and training fees based on fixed daily rates as the service is provided. The fixed daily rates are predetermined at the contract signing date.

(l) Leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives from the lessor) are charged to the income statement on a straight line basis over the period of the lease.

(m) Investments

Investments held as fixed assets by the Company are stated at cost less any permanent diminution in value.

(n) Employee benefits

The Group operates an equity-settled, share-based compensation plan. The fair value of the employee services received in exchange for the grant of the options and shares is recognised as an expense. The fair value of options is estimated using a Black-Scholes pricing model. The total amount to be expensed over the vesting period is determined by the fair value of the options and shares granted, excluding the impact of any non-market vesting conditions (for example, earnings per share growth). Non-market vesting conditions are included in assumptions about the number of options and shares that are expected to become exercisable. At each statement of financial position date, the Group revises its estimates of the number of options and shares that are expected to become exercisable. It recognises the impact of the revision of original estimates, if any, in the income statement. At the vesting date of an award, the cumulative expense is adjusted to take account of the awards that actually vest. The Group grants share options to employees of subsidiary companies. These are accounted for as an increase in the investment carrying value of the subsidiary.

3. SEGMENT ANALYSIS

The primary segment is by business as this is the main driver of risks and return. The directors consider there to be one business segment because all turnover results from the provision of business to business solutions to the construction industry. All sales therefore arise from the rendering of services.

The secondary segments which are geographical are United Kingdom (UK), United Arab Emirates (UAE), Europe, India and Rest of World (ROW). Information regarding these segments is reported below.

Analysis of results by geographical region

	Year to June 2011 £'000	**Year to June 2010 £'000**
UK	**2,774**	1,922
UAE	**–**	3
Europe	**107**	79
India	**14**	9
ROW	**19**	8
Revenue	**2,914**	2,021

4. STAFF COSTS

	Year to June 2011 £'000	**Year to June 2010 £'000**
Staff costs during the period (including directors)		
Wages and salaries	**1,603**	1,172
Social security costs	**126**	84
Share based payments	**100**	–
	1,829	1,256

	No.	**No.**
The average monthly number of employees (including executive directors) was:		
Professional services	**5**	5
Sales and account managers	**1**	3
Technical	**56**	43
Finance & administrative	**9**	9
	71	60

5. DIRECTORS' REMUNERATION

	Year to June 2011 £'000	Year to June 2010 £'000
Aggregate emoluments	**505**	250
Share based payment expense	**94**	–
	599	250

The highest paid director was paid £296,000 in salary during the period (2010: £150,000) and share based payment expense of £54,500 (2010: £nil). Pension contributions of £nil (2010: £nil) were made on behalf of a director of the Company. No directors (2010: none) are accruing retirement benefits.

6. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

Profit on ordinary activities before taxation is stated after charging / (crediting):

	Year to June 2011 £'000	Year to June 2010 £'000
Staff costs (note 4)	**1,829**	1,256
Rent of premises	**26**	26
Net exchange difference gains	**(1)**	(1)
Research and development costs	**573**	480
Depreciation of tangible fixed assets included in administrative expense (note 12)	**16**	20
Amortisation of intangible fixed assets included in administrative expense (note 13)	**–**	13
Share based payments	**100**	–

During the period the Group obtained the following services from the Group's auditor as detailed below:		
Fees payable to the Company's auditor for the audit of the Parent Company and consolidated financial statements	**7**	7
Fees payable to the Company's auditor and its associates for other services:	**3**	–
The audit of financial statements of subsidiaries pursuant to legislation	**7**	7
Tax services	**1**	1
	18	15

7. FINANCIAL INCOME

	Year to June 2011 £'000	Year to June 2010 £'000
Fair Value adjustments arising on loan from shareholder (note 17)	–	150
	–	150

The fair value adjustment relates to the recognition of the difference between the fair value and the redemption value of the loan (see note 17).

8. FINANCIAL COSTS

	Year to June 2011 £'000	Year to June 2010 £'000
Imputed interest payable	**150**	150
	150	150

The imputed interest payable represents the amortisation of the difference between the fair value and the redemption value of the loan (see note 17).

9. INCOME TAX & DEFERRED TAX ASSET

	Year to June 2011 £'000	Year to June 2010 £'000
Current tax		
United Kingdom corporation tax on the profit for the year	**–**	–
Deferred tax		
Unwinding of deferred tax asset	**(271)**	–
Deferred tax asset recognised	**450**	271
	179	271

The differences from the standard charge are explained below:

Profit / (loss) on ordinary activities before tax	**272**	133
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 27.5% (2010: 28%)	**(75)**	(37)
Effects of:		
Expenses not deductible for tax purposes	**(14)**	(12)
Depreciation in excess of capital allowances	**2**	10
Tax losses carried forward	**(63)**	(35)
Total tax	**–**	–

Deferred tax asset

Deferred tax is calculated in full on temporary differences under the liability method using a tax rate of 26% (2010: 27%).

The movement on the deferred tax account is as shown below:

	Opening balance £'000	Movement £'000	Closing balance £'000
Accelerated capital allowances	556,244	4,146	**560,390**
Tax losses	4,489,934	(40,620)	**4,449,314**
30 June 2010	5,046,178	(36,474)	**5,009,704**
Accelerated capital allowances	560,390	(15,867)	**544,523**
Tax losses	4,449,314	(233,764)	**4,215,550**
30 June 2011	5,009,704	(249,631)	**4,760,073**

9. INCOME TAX & DEFERRED TAX ASSET (continued)

Deferred tax asset split:

	Asite Solutions Limited £'000	Asite (Private) Limited £'000	Asite Limited £'000	Total £'000
Accelerated capital allowances	539,426	–	5,097	**544,523**
Losses	3,589,561	–	625,989	**4,215,550**
	4,128,987	–	631,086	**4,760,073**

A deferred tax asset has been recognised for an element of the available losses and capital allowances in Asite Solutions Limited, one of the Group's trading subsidiaries because recovery is considered reasonably certain. A deferred tax asset has not been recognised in respect of the remaining available losses and capital allowances of Asite Solutions Limited or that of Asite Limited (the Company) because recovery is not considered reasonably certain.

Deferred tax asset recognised:

	2011 £'000	2010 £'000
	450	271

There are no deferred tax liabilities and consequently no offset of deferred tax assets and liabilities.

10. PROFITS OF THE PARENT COMPANY FOR THE FINANCIAL YEAR

The Company has taken advantage of Section 408 of the Companies Act 2006 and has not included an Income Statement in these financial statements. In the year the Company made a loss of £0.196m (2010: £0.032m loss).

11. PROFIT PER SHARE

	Year to June 2011	Year to June 2010
Basic		
Net profit for the period (£'000's)	**272**	133
Weighted average number of ordinary shares outstanding	**19,523,536**	18,749,564
Profit per share:	**1.39p**	0.71p
Diluted		
Net profit for the period (£'000's)	**272**	133
Weighted average number of ordinary shares outstanding	**19,523,536**	18,749,564
Profit per share:	**1.39p**	0.71p

Earnings per share is calculated by dividing the net profit for the period, adjusted for non-controlling interest, by the weighted average number of ordinary shares outstanding during the period.

Earnings per share requires presentation of diluted profit per share when a company could be called upon to issue shares that would decrease net profit or increase net loss per share.

12. PROPERTY, PLANT AND EQUIPMENT

	Plant and equipment £'000
Group	
Cost	
At 1 July 2010	75
Additions	46
Disposals	(39)
At 30 June 2011	**82**
Accumulated depreciation	
At 1 July 2010	49
Charge for the year	16
Eliminated on disposal	(34)
At 30 June 2011	**31**
Net book value	
At 30 June 2011	**51**
At 30 June 2010	**26**

12. PROPERTY, PLANT AND EQUIPMENT (continued)

	Plant and equipment £'000
Group	
Cost	
At 1 January 2009	580
Additions	9
Disposals	(514)
At 30 June 2010	**75**
Accumulated depreciation	
At 1 January 2009	543
Charge for the year	20
Eliminated on disposal	(514)
At 30 June 2010	**49**
Net book value	
At 30 June 2010	**26**
At 30 June 2009	**37**

The Company has no tangible fixed assets (2010: £nil).

13. INTANGIBLE ASSETS

	Development costs £'000	Computer software £'000	Total £'000
Group			
Cost			
At 1 July 2010	–	–	–
Additions	–	–	–
Disposals	–	–	–
At 30 June 2011	**–**	**–**	**–**
Accumulated amortisation			
At 1 July 2010	–	–	–
Charge for the year	–	–	–
Eliminated on disposal	–	–	–
At 30 June 2011	**–**	**–**	**–**
Net book value			
At 30 June 2011	**–**	**–**	**–**
At 30 June 2010	**–**	**–**	**–**

13. INTANGIBLE ASSETS (continued)

	Development costs £'000	Computer software £'000	Total £'000
Group			
Cost			
At 1 July 2009	831	3,143	3,974
Additions	–	11	11
Disposals	(831)	(3,154)	(3,985)
At 30 June 2010	–	–	–
Accumulated amortisation			
At 1 July 2009	831	3,131	3,962
Charge for the year	–	13	13
Eliminated on disposal	(831)	(3,144)	(3,975)
At 30 June 2010	–	–	–
Net book value			
At 30 June 2010	–	–	–
At 30 June 2009	–	**12**	**12**

The Company has no intangible fixed assets (2009: £nil).

14. INVESTMENTS IN SUBSIDIARY UNDERTAKINGS

Company

	2011 £'000	2010 £'000
Cost and net book value		
At 1 July 2010 and at 30 June 2011	**65**	65

The principal subsidiary undertakings of the Company during the year were:

Subsidiaries	% Shareholding	Principal activities
Asite Solutions Limited (Incorporated 20 July 2000)	99.44%	Web based portal and services
Asite Solutions Private Limited (Incorporated 7 November 2005)	99.70%	Web based portal and services

Asite Solutions Limited is incorporated in England and Wales. Asite Solutions Private Limited is incorporated in India and is owned by Asite Solutions Limited.

15. TRADE & OTHER RECEIVABLES

	Group		Company	
	Year to June 2011 £'000	Year to June 2010 £'000	Year to June 2011 £'000	Year to June 2010 £'000
Amounts falling due within one year:				
Trade receivables	**814**	703	**–**	–
Provision for doubtful debts	**(12)**	–	**–**	–
Net trade receivables	**802**	703	**–**	–
Prepayments and accrued income	**58**	54	**3**	6
VAT recoverable	**1**	1	**1**	2
Other debtors	**32**	7	**25**	–
	893	765	**29**	8

Trade receivables that are less than three months past due are not considered impaired. As of 30 June 2011, trade receivables of £167k (2010: £100k) were past due but not impaired. These relate to a number of independent customers for whom there is no recent history of default. The ageing analysis of these trade receivables is as follows:

	Year to June 2011 £'000	18 Months to June 2010 £'000
Up to 6 months	**87**	54
Over 6 months	**80**	46
	167	100

As of 30 June 2011, trade receivables of £12k (2010: £Nil) were impaired and provided for. The amount of the provision was £12k as of 30 June 2011 (2010: £Nil).

15. TRADE & OTHER RECEIVABLES (continued)

The carrying amounts of the Group's trade and other receivables are denominated in the following currencies:

	Year to June 2011 £'000	Year to June 2010 £'000
Sterling	**791**	693
Euro	**10**	10
Australian dollar	**9**	–
US dollar	**3**	–
Indian rupee	**1**	–
	814	703

Movements on the Group provision for impairment of trade receivables are as follows:

	Year to June 2011 £'000	Year to June 2010 £'000
At 1 July	**–**	–
Provision for receivables impairment	**12**	–
Receivables written off during period as uncollectible	**–**	–
At 30 June	**12**	–

16. TRADE & OTHER PAYABLES

	Group		Company	
	Year to June 2011 £'000	Year to June 2010 £'000	Year to June 2011 £'000	Year to June 2010 £'000
Deferred income	**177**	341	**–**	–
Trade payables	**101**	49	**5**	15
Other payables	**120**	198	**–**	–
Social security and other taxes	**31**	26	**–**	–
VAT payable	**81**	76	**–**	–
Accruals	**330**	19	**17**	7
	840	709	**22**	22

17. BORROWINGS

	30 June 2011		30 June 2010	
	Redemption value £'000	**Carrying value £'000**	**Redemption value £'000**	**Carrying value £'000**
Short term financial liabilities	**2,652**	**2,652**	–	–
Long term financial liabilities	**–**	**–**	2,652	2,502

The loan is from R20 Limited and has been drawn down against the Company's loan facility agreement. This facility allows the Company to draw down a maximum of £2.807m. The amounts drawn down against the facility are interest free, are not due for repayment until 30 June 2011 and are payable only from cash reserves. The carrying value represents the fair value at inception and the accrued imputed interest charge using a discount rate of 6% (2010: 6%). There is a fixed charge held over the intellectual property assets of the Group.

18. FINANCIAL INSTRUMENTS

The Group's financial instruments comprise cash balances, leasing commitments, a loan facility, short term bank overdraft facilities and various items such as trade debtors and trade creditors that arise from the normal course of business. There were no other financial assets other than trade receivables.

At the year end the Group held sterling cash balances of £0.738m (2010: £0.186m) and foreign currency cash balances of £0.012m (2010: £0.039m) held in Indian rupees. At the year end the Group had no bank borrowings. The Group held trade receivables balances of £0.802m (2010: £0.703m) as at the year end.

Risk management
The Board is charged with managing the various risk exposures.

Interest rate risk
Loans advanced to the Group by R20 Limited are interest free for the minimum term, being until 30 June 2011. Thereafter, were these loans to be renewed, interest may or may not become due, however, the Group does not envisage hedging against this risk. Accordingly the Group believes that the interest rate risk to which the Group is exposed is minimal.

Credit risk
The Group believes that its maximum credit risk at any one time is represented by the value of its trade receivables. In relation to credit risk to financial institutions, the Group does have significant cash deposits, however the Board believes this risk to be minimal. The Group manages customer credit risk through the use of credit reports and appropriate contractual documentation. Collections are tracked monthly and where payments are overdue appropriate action is taken on a timely basis.

Liquidity risk
The Group's approach to liquidity risk is to ensure that sufficient liquidity is available to meet foreseeable requirements and to invest funds securely and profitably. The Group's total financial liabilities and their fair values as at 30 June 2011 are detailed below. There is no difference between the book and fair value for short term receivables and payables.

	30 June 2011		30 June 2010	
	Redemption value £'000	**Carrying value £'000**	**Redemption value £'000**	**Carrying value £'000**
Financing the Group's acquisitions:				
Short term financial liabilities	**2,652**	**2,652**	–	–
Long term financial liabilities	**–**	**–**	2,652	2,502

The loan is from R20 Limited and has been drawn down against the Company's loan facility agreement. This facility allows the company to draw down a maximum of £2.807m.

18. FINANCIAL INSTRUMENTS (continued)

Foreign currency risk
The Group's revenue is substantially sterling based, accordingly, foreign currency exposure risk to this is minimal. Costs incurred in the Group's operations in India are rupee based. Currency exposures arising from holding cash deposits in Indian Rupees are not considered to be material. The Group does not hedge against these currency risks. The value of assets held in the Group's Indian subsidiary is minimal, as are this company's reserves. Accordingly the Board believes that the currency exposure on translation is minimal.

Capital risk management
The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Consistent with others in the industry, the Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings including "current and non-current borrowings" less cash and cash equivalents. Total capital is calculated as "equity" as shown in the consolidated balance sheet plus net debt.

	2011 £'000	2010 £'000
Total borrowings (note 17)	2,652	2,502
Total equity	(1,348)	(1,924)
Total capital	554	353
Gearing ratio	343%	645%

19. CALLED UP SHARE CAPITAL

	30 June 2011		30 June 2010	
Allotted, issued and fully paid	**No.**	**£'000**	**No.**	**£'000**
New Ordinary Shares of 1p	**10,291,063**	**103**	10,291,063	103
New B Shares of 1p	**10,958,501**	**110**	8,458,501	85
Deferred Shares of 99p each	**18,749,564**	**18,562**	18,749,564	18,562
Total allotted, issued and fully paid	**39,999,128**	**18,775**	37,499,128	18,750

The Company's authorised share capital is £42,500,000 comprised of New Ordinary Shares of 1p each, New B Shares of 1p each and Deferred Shares of 99p each.

New B Shares do not have voting rights. New B Shares have the same rights as the New Ordinary Shares with respect to dividend entitlement and priority to receive funds on winding up of the Company.

The Deferred Shares have no voting or attendance rights. Deferred Shares have no right to receive dividends. On a return of capital or winding up of the Company, each Deferred Share is entitled to its par value after each New Ordinary Share and New B Share has received repayment of capital plus £1,000,000.

20. SHARE OPTION SCHEME

Under the Group's Enterprise Management Incentive scheme (EMI), share options are granted to executive directors and selected employees. Exercise price of the granted options is 1p per share. Options are exercisable on disposal or floatation of the Company. The Group has no legal or constructive obligation to repurchase or settle the options in cash.

At 30 June 2011 options granted under the Company's share option schemes were outstanding on a total of 12,670,711 ordinary shares as follows:

Grant date	Number of shares under option	Exercise price	Excercise period
March 2011	12,670,711	1p	March 2021

The options can be exercised on disposal or floatation of the Company and have a ten year option exercise period from the grant date.

In line with IFRS 2 and for the purposes of estimating the charge for share based payments, options are valued using the Black-Scholes model.

The movement in share awards during the year ended 30 June 2011 is as follows:

	2011 Number of shares under option	2011 Weighted average exercise price	2010 Number of shares under option	2010 Weighted average exercise price
Outstanding as at 1 July	–	–	–	–
Granted during the year	12,670,711	1p	–	–
Exercised during the year	–	–	–	–
Forfeited during the year	–	–	–	–
Expired during the year	–	–	–	–
Outstanding as at 30 June	12,670,711	1p	–	–

The following table summarises information about share awards outstanding as at 30 June 2011:

Exercise Price	2011 Number	2011 Weighted average remaining contractual life	2010 Number	2010 Weighted average remaining contractual life
1p	**12,670,711**	**9.75 years**	**–**	**–**

The fair value of the share based payment expense was £0.100m (2010: £Nil). The following assumptions were used in valuing the 2011 share options awarded per the Black-Scholes option-pricing model:

- Share price at grant of £0.01
- Exercise price, under the option contracts of £0.01 per share
- 10 year option exercise period
- An expected share price volatility of 70% based on the average volatility of the FTSE techMARK listed companies and the liklihood of a diposal of the Company in the next ten years
- An expected dividend yield of £nil
- A risk free interest rate of 4.5% based on the implied yield on zero coupon government bonds

21. RECONCILIATION OF NET PROFIT / (LOSS) TO NET CASH INFLOW / (OUTFLOW)

	Group		Company	
	Year to June 2011 £'000	**Year to June 2010 £'000**	**Year to June 2011 £'000**	**Year to June 2010 £'000**
Net profit / (loss)	**272**	133	**(196)**	22
Share based payment expense	**100**	–	**100**	–
Depreciation of tangible assets	**16**	20	**–**	–
Amortisation of intangible assets	**–**	13	**–**	–
Loss on disposal of tangible assets	**5**	–	**–**	–
Imputed interest	**150**	–	**150**	–
(Increase) / decrease in debtors	**(103)**	(195)	**(56)**	(5)
Increase) / decrease in creditors	**131**	145	**1**	(55)
Net cash generated by / (used in) operating activities	**571**	116	**(1)**	(38)

22. RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

	Year to June 2011 £'000	**Year to June 2010 £'000**
Increase in cash and cash equivalents in the period	**525**	106
Restatement of loan	**(150)**	–
Movement in net debt in the period	**375**	106
Net debt at start of period	**(2,277)**	(2,383)
Net debt at end of period	**(1,902)**	(2,277)

23. ANALYSIS OF CHANGE IN NET DEBT

	At 1 July 2010 £'000	**Movement £'000**	**At 30 June 2011 £'000**
Cash	225	525	750
	225	525	750
Loan	(2,502)	(150)	(2,652)
	(2,277)	**375**	**(1,902)**

24. OBLIGATIONS UNDER OPERATING LEASES AND COMMITTED EXPENDITURE

	Year to June 2011 £'000	Year to June 2010 £'000
The total future minimum lease payments under non-cancellable operating leases fall due in the following periods:		
Rent on premises:		
Within 1 year	**35**	35
Within 2 to 5 years	**–**	–
Net debt at end of period	**35**	35

The lease on the premises is subject to renewal on an annual basis.

25. CONTINGENT LIABILITIES

The Group and Company do not have any contingent liabilities (2010: nil).

26. RELATED PARTY TRANSACTIONS

Key management members are also directors of the Group and their remuneration is disclosed in note 5. Funding was available to the Company throughout the year through a loan facility provided by R20 Limited. The balance of the loan outstanding at the year end was £2.652m (2010: £2.502m). Mr Robert Tchenguiz is a director of this company.

Mr Gordon Ashworth and Mr Walter Goldsmith (non executive directors), each acquired 1,250,000 New B shares at 1p each during the period with £0.025m outstanding at the end of the period.

Mr Robert Tchenguiz's holding of shares is comprised of 2,660,706 Ordinary shares and 8,458,501 B Ordinary shares held indirectly through B&C Plaza Limited, Rotch Property Group Limited and R20 Limited. There has been no change in his holding during the period ended 30 June 2011.

Asite Solutions Limited provided services to Stanhope plc, a shareholder in Asite Limited during the period under review. Revenue generated from Stanhope plc totalled £0.007m (2010: £0.005m) with £0.004m (2010: £Nil) outstanding at the end of the period.

Asite Solutions Limited provided software development services to Nativ Limited. Revenue generated during the period under review totalled £0.233m (2010: £Nil) with £0.066m (2010: £Nil) outstanding at the end of the period. Mr Gordon Ashworth is a director of this company.

27. ULTIMATE CONTROLLING PARTY

The ultimate controlling party is the Tchenguiz Discretionary Trust.

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